

IV. ACHIEVING THE VISION

ECONOMIC DEVELOPMENT- A

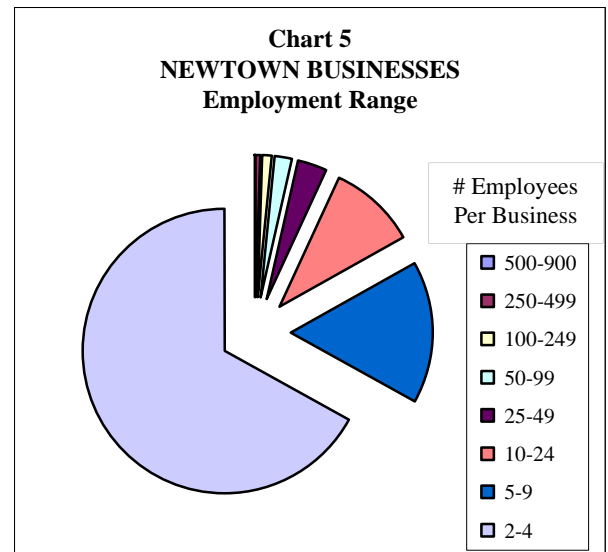
A. INTRODUCTION

The quality of life in Newtown is influenced by the condition of the Town's economic base. The Plan of Conservation and Development (POCD) is a municipal tool to protect and enhance the economy of Newtown in a manner that supports a high quality of life. This element of the POCD defines key economic development issues and establishes goals and implementation recommendations to enhance Newtown's economic base. Plan Memorandum #9, Economic Development provides a full discussion of this topic.

B. EXISTING CONDITIONS

Newtown's economy contains over 800 businesses that provide a broad variety of goods and services, employing approximately 7,400 people. The accompanying chart describes the composition of Newtown's businesses, by size of employment. While Newtown has several "marquis" businesses that employ several hundred persons each, over 80% of Newtown's businesses employ fewer than 10 people.

Economic activity within Newtown is influenced by the demands for goods and services generated by residents, businesses and government activities within and beyond town borders. Newtown's economy is influenced by the economic health of several surrounding economic regions, including all of Fairfield County, the New York metropolitan area, the Waterbury region and the New Haven region.



Changes to the size, composition and characteristics of Newtown's employment base over time are indicators of the Town's economic health. Between 1993 and 2001, the economy of Newtown experienced significant fluctuations in employment levels. From 1993 to 1996, employment levels in Newtown declined by 1,210 jobs (16.4%). Most of this decline in employment was concentrated in the government sector and is largely attributable to the closing of the State of Connecticut's Fairfield Hills Hospital. However, employment in the other sectors of Newtown's economy grew by a combined 1,150 jobs between 1993 and 2001, representing a 15.6% increase. By comparison, employment in Connecticut during the same period grew by 10%. The top 20 employers in Newtown are listed in Table 7.

The composition of Newtown's employment base also experienced fluctuations between 1993 and 2001. While the percent of jobs in the goods producing sector in 1993 and 2001 are the same (25%), this sector expanded from 26.9% to 30.3% between July of 1997 through June of 1999, adding 460 jobs, including 390 in the manufacturing sector. In 2001, the labor force generated by Newtown residents numbered 12,585 people, exceeding the number of jobs located in Town by 41%.

TABLE 7**NEWTOWN'S TOP TWENTY EMPLOYERS**

May, 2002

Employer	Number of Employees
1. Town of Newtown- Board of Education	714
2. State of Connecticut- Department of Corrections	375
3. Kendro Laboratory Products	350
4. Pitney Bowes	308
5. Taunton Press	270
6. Ashlar of Newtown	250
7. Big Y Supermarket	240
8. Hubbell Wiring Devices	220
9. Charter Communications	215
10. Stop and Shop	180
11. Town of Newtown- Municipal Government	166
12. Curtis Packaging	150
13. Connecticut Light and Power	120
14. Rand Whitney Container Corp.	77
15. T. R. Paul	76
16. Sonics and Materials	63
17. DeVivo Industries	55
18. TUV Rhineland	54
19. Forecast International	46
20. Neumade Products	32

Source: Newtown Community Development Office

C. RECENT ECONOMIC DEVELOPMENT TRENDS IN NEWTOWN

Newtown's commercial, service and industrial land uses experienced moderate increases during the past decade. Examples of several economic development projects (new construction) in Newtown during the past 10 years include the 41,000 square foot warehouse facility constructed by the Curtis Packaging Corporation located at the intersection of Route 34 and Toddy Hill Road, the 60,000 square foot manufacturing facility built by Neumade Products Incorporated located on Pecks Lane, the 60,000 square foot expansion of the Newtown Shopping Center located on Queen Street and a 20,000 square foot distribution and warehouse facility located on Barnabas Road.



Equestrian Facility- Barnabas Road

In addition to these examples of new construction, Newtown saw the renovation of several existing buildings to accommodate a variety of economic development activities. Examples of this include the renovation of the 53,000 square foot Rocky Mill in Sandy Hook and the 85,500 square foot Simm Lane Business Building, renovated as a "flex space" facility to house a variety of business uses.

Total business space constructed during the past ten years was 439,219 square feet, translating into an average annual rate of growth of 48,802 square feet.



Mill Building Renovation

D. MARKET SUPPORT FOR FUTURE ECONOMIC DEVELOPMENT

Making projections of the market potential to support future economic development depends on several factors, some of which are beyond the control of the Town of Newtown. In 1997, an analysis was made of the market potentials for economic development in Newtown for use in master planning the Hawleyville area. This analysis examined the surrounding market region to understand probable market support for future office, industrial and retail uses within Newtown. This market assessment was recently updated as a part of the Fairfield Hills Master Plan process and is summarized in Table 8.

TABLE 8
ECONOMIC DEVELOPMENT
Market Demand Assessment

<u>Market Use</u>	<u>Current (1) Demand Level</u>	<u>Current (2) Supply Level</u>	<u>Current (3) Market Position</u>
<i>Office</i>			
Corporate	Weak*	Oversupply*	Contender
Professional	Slow	Balance	Contender
Medical	Active	Shortage	Contender
<i>Industrial/Service</i>			
Manufacturing	Slow	Oversupply	Contender
Small "Flex" Space	Active	Shortage	Contender
Warehouse/Dist.	Active	Balance	Contender
Service/Utility	Active	Balance	Contender
<i>Retail</i>			
Grocery/Conv.	Strong	Shortage	Contender
Big Box	Active	Shortage	Trailer
Highway Service	Active	Balance	Contender
Dining	Strong	Shortage	Contender

(1) Represents the market demand for various market segments in the market area.

(2) Represents the supply of available space as compared to demand in the market area

(3) Represents Newtown's market position as a location for various market segments.

* Market segment which relies primarily on single or major user interest.

One of the several factors affecting market support for future economic development activity in Newtown is the growth in the Town's population and that of surrounding communities. Newtown's population is projected to experience continued growth during the next 10 years.

Economic development activity generated by the demands for goods and services from the local population are the most likely to grow during the next ten years. Portions of this demand will manifest itself in the form of population serving businesses located in office and retail space:

Office Space: The demand for local population serving office space uses will continue, especially office space associated with the health care industry. These types of uses can be satisfied in multiple tenant buildings hosting a variety of office space users or in multiple tenant office buildings with a single focus, such as a medical office building.

Retail Space: The demand for retail services serving the local population is expected to grow to meet the needs of Newtown's expanding population base. Some of this demand will be accommodated in the expansion of existing free-standing retail stores and shopping centers and some of the demand will be met in the development of new retail complexes.

One segment of the demand for retail services generated by Newtown's population which will not be met in Newtown are stores requiring more than 40,000 square feet of building space. Newtown's zoning ordinance prohibits the development of retail uses containing more than 40,000 square feet of building space. This prohibition will most likely exclude the development of large retail stores and it will also preclude the development of another retail complex such as Sand Hill Plaza, which is Newtown's 2nd largest taxpayer. The 40,000 square foot prohibition should support the policy of focusing retail development within existing commercial areas and should reinforce the position of the Borough as the "center" of the Town.

Manufacturing Space: Industrial and service businesses generate 54% of the total jobs located in Newtown. The manufacturing sector of Newtown's economy provides approximately 20% of the total jobs in Town and will remain an important element of Newtown's economy. For certain manufacturers, Newtown continues to have the locational advantages of access to major markets. In addition to directly contributing to Newtown's employment base, the manufacturing sector also generates the need for goods and services essential to the manufacturing process, representing the potential for further contributions to the Town's overall economic base. Municipal policies and actions should support the retention and expansion of the manufacturing sector of Newtown's economy.

Service Business Space: The service sector was the fastest growing sector of Newtown's economy between 1993 and 2001, adding 1,260 jobs, which represents a 107% increase. A portion of this sector provides services to Newtown's local population. Newtown has experienced a demand for building space to house service sector businesses. In recent years, satisfying the demand for this type of space has been realized through a combination of the rehabilitation of existing buildings and the construction of new building space. This type of business activity provides services to other businesses and provides mostly non-retail services to the general population. Typically, this type of use does not require highway visibility, but does require ready access to the highway system.

Corporate Office Space Development: Private sector inquires of the Town indicate the existence of a selective demand for major, single user, corporate office space facilities. While this is a limited demand, the development of just one project of this nature would be a major economic development event for Newtown that would likely spur additional spin-off demands for business serving economic development uses.

There are a few locations in Newtown that possess the infrastructure required to support the development of a major corporate office space user. To date the demand for corporate office space has not been realized in Newtown due mainly to problems associated with land assembly.

E. CHANGES AFFECTING FUTURE ECONOMIC DEVELOPMENT CAPACITY

Since the preparation of the 1993 POD, the Town has actively promoted economic development with zone changes, the prospect of economic incentives, the installation of sewer service designed to support economic development, the preparation of plans to facilitate economic development activities, marketing efforts and the Town's encouragement and support of conforming economic development initiatives.

Planning and/or zoning changes made during the past ten years affect the Hawleyville area, the Curtis Corporate Park and the re-use of the former Fairfield Hills Hospital campus. These changes include:

The Hawleyville Area: The Hawleyville area around the I-84 Exit 9 interchange and the intersection of Routes 6 and 25 has been designated for future economic development activity in Newtown's PODs' for several decades. During the 1990's the Town undertook a detailed planning study of this area. This effort resulted in an amendment to the POD and several zoning changes that would allow for the development of up to 1,280,000 square feet of non-residential building space. The 1993 POD had projected approximately 735,000 square feet of future non-residential building potential for this area. This change represents a potential net gain of approximately 545,000 square feet of building space supporting economic development activities.

Curtis Corporate Park: In 2000, the Town rezoned an area along Toddy Hill Road, near the intersection with Route 34, for development as an industrial park. This action led to the subdivision of land for the Curtis Corporate Park, which was recently constructed. This vacant industrial subdivision contains 12 lots, totaling 22.4 acres. While existing zoning regulations allow for a Floor Area Ratio (FAR) of greater than 25%, observations of comparable developments in competing areas indicate a 25% FAR coverage is a likely assumption. Assuming the development of single story buildings with an FAR of 25%, and assuming that 100% of the land is free of development constraints and buildable, this 12 lot industrial subdivision could support 244,000 square feet of new building space.

TABLE 9
NEWTOWN'S TOP TEN TAXPAYERS
2001 Grand List

<u>Business</u>	<u>Net Assessment</u>
Connecticut Light and Power	\$18,007,210
Sand Hill Plaza LLC	\$13,938,710
3. Homesteads of Newtown LLC	\$10,708,630
4. Kendro/Sorvall Products	\$10,051,150
5. Harvey Hubbell, Inc.	\$8,565,990
6. Taunton Press	\$7,866,030
7. Curtis Packaging Corporation	\$7,382,200
8. Rand Whitner Container	\$6,050,290
9. Barnabas Realty Group	\$6,027,500
10. Newtown Shopping Center	\$5,852,980

Source: Newtown Community Development Office



It is important to note that this area is not served by public sewer or water and falls within the Pootatuck Aquifer Protection Overlay District, as defined under the current zoning regulations. The aquifer overlay district, which prohibits certain uses, combined with the lack of public utility connections, could affect the rate of development in this area.

Fairfield Hills Hospital Campus: In 1993, the State of Connecticut had not announced plans to close the hospital facility and therefore the future re-use of the Fairfield Hills hospital campus was not factored into the 1993 POD's development potential analysis. The State has since closed the hospital and the Town is in the final stages of negotiating the purchase of the property. Newtown is currently developing a master plan for its re-use.

The existing hospital campus includes a mixture of institutional buildings, a small portion of which are currently used for town offices, open space and recreational facilities, the Governor's horse guard and the Town's new 5/6 Reed Intermediate School. The former hospital campus complex contains approximately 1,100,000 square feet of building space.

The Fairfield Hills re-use planning process considers a range of actions for this 185-acre resource, including building rehabilitation and demolition and new building construction and preservation. At one time the Fairfield Hills Hospital complex was Newtown's largest employer, with over 3,000 employees. While the Fairfield Hills master planning process has yet to determine the exact types and amounts of uses for the 185 acre site, it is reasonable to anticipate that portions of the campus will contribute some limited support to future economic development activities.

Commerce Park Expansion: The Town is in the process of acquiring 37.5 acres of land adjacent to Commerce Road from the State of Connecticut. Current plans for this land call for an expansion of Commerce Park to support economic development activities. The number of buildable lots that this parcel may support is unknown at this time. However, it is known that some wetlands exist on this site, which will affect the parcel's development potential. If it is assumed that 25% of the site will be removed from development due to road infrastructure, wetlands and other environmental or physical constraints, and that single story structures with 25% building coverage will be constructed, then approximately 306,000 square feet of non-residential building space could be supported.

Future Potential to Support Economic Development: In estimating the Town's physical capacity to support future economic development activities, the amount of economic development that occurred since 1992 was deducted from the estimates calculated in the 1993 POD. The additional development potential resulting from the Hawleyville, Curtis Corporate Park and Commerce Park expansion areas were added to derive the estimate of additional building space potential to support economic development activities. No estimate has been included for economic development proposals which may be forthcoming from the Fairfield Hills master planning process. This information will be included for consideration as it becomes available. As described in Table 10 on the following page, a total economic development potential of between 1,595,000 – 1,795,000 square feet of new building space results.

TABLE 10 Estimate of Future Economic Development Potential Newtown, Connecticut	
Source of Estim	Building Area (Sq.Ft.)
Economic Development Potential Estimated in 1993 POD ¹	936,547 – 1,137,335
Development Building Construction Since the 1993 POD ²	(439,219)
(rounded)	500,000 – 700,000
<i>Potential Created Since 1993 POD</i>	
	540,000
	244,000
Commerce Park Expansion	<u>306,000</u>
Subtotal	1,090,000
Total Future Economic Development Building Potential Estimated in 2002	<u>1,590,000 – 1,790,000</u>

¹ Newtown Plan of Development, 1993, p. 32

² Newtown Community Development Office, Newtown Land Use Department, 2002